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## **OLR Bill Analysis**

**sSB 318 (File 144, as amended by Senate "A")\***

### ***AN ACT CONCERNING USED AUTOMOBILE WARRANTIES.***

#### **SUMMARY:**

This bill extends the express warranty motor vehicles dealers must provide, when selling used vehicles, to seven-year-old vehicles. Under current law, these express warranties must be provided for used vehicles that are six-years-old or newer. By law, the cash purchase price must be more than \$3,000.

The bill also increases the age of a used vehicle that a motor vehicle dealer may sell "as is" from seven years or older to eight years or older. By law, a dealer may sell a used vehicle "as is," regardless of age, if its cash purchase price is less than \$3,000. "As is" vehicles do not contain any implied warranties and dealers must post certain disclaimers notifying consumers of their rights.

\*Senate Amendment "A" removes provisions increasing the monetary threshold at which dealers (1) need not provide express warranties for used vehicles and (2) can sell such vehicles "as is."

EFFECTIVE DATE: January 1, 2014

#### **BACKGROUND**

##### ***Used Vehicle Warranty***

By law, the express warranty must cover all parts and labor, but not damage due to accidents or misuse. It must provide that the vehicle is mechanically operational and sound for the duration of the warranty period. The consumer may waive a warranty only if the waiver is for a specific defect that the dealer discloses.

By law, the warranty term is determined by the vehicle's selling price, with more expensive vehicles having a longer warranty period

or more mileage coverage. For vehicles costing (1) between \$3,000 and \$5,000, the warranty must last 30 days or 1,500 miles and (2) more than \$5,000, the warranty must last 60 days or 3,000 miles.

**COMMITTEE ACTION**

General Law Committee

Joint Favorable

Yea 17 Nay 1 (03/12/2013)